



ADMINISTRATIVE AND SUPPORT SERVICES

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

ADMINISTRATIVE AND SUPPORT SERVICES DIVISION

The **ADMINISTRATIVE AND SUPPORT SERVICES DIVISION** administers the Department's budget and oversees fiscal services, human resources, training and development, and information systems. The Department of Financial Institutions is entirely supported by the institutions regulated and supervised by the Department.

Departmental turnover was eleven percent for CY 2000, of which two percent represented field examiner turnover. The average tenure of the Department's field examining force is now fourteen years for Bank Examiners, twelve years for Credit Union Examiners, and seven years for Compliance Examiners. The Department continues to work with both the Department of Personnel and the Department of Finance and Administration in attempts to provide an improved career path with salary progression for our examining personnel.

At the end of FY 2000, the Department had a surplus of \$709,046.57. An amount of \$404,156.54 was rebated to the banks in accordance with T.C.A. § 45-1-118(d)(2) and \$304,890.03 reverted to the State's General Fund.

When January 1, 2000 rolled around, all of the Department's internal systems were found Y2K compliant and the 21st Century date changeover was a non-event. In the area of other accomplishments in 2000, access to the Department's Twenty-sixth Annual Report was made available via our Web Site on the Internet. This media of communication will continue to be used for our Annual Report distribution, as the savings are significant in this type of distribution. We invite you to visit our Web Site at <http://www.state.tn.us/financialinst>. Also in 2000, certain types of correspondence from regulators and the regulated and licensed financial institutions can now be scanned at our Central Office and transmitted to our Field Offices and examiners over the State's Network, thus saving time and money over other types of distribution.

In July 2000, the Compliance Division was able to put into production a dedicated UNIX server which houses their licensing application software as well as a packaged software retrieval system to generate inquiries regarding property ownership, property values for tax purposes, and liens held on property in Tennessee.

The Department operates a LAN/WAN Novell Network that connects the Field Offices across the State with our Central Office. Examiners not working from a Field Office have the ability to access the State Network by remote dial-in.

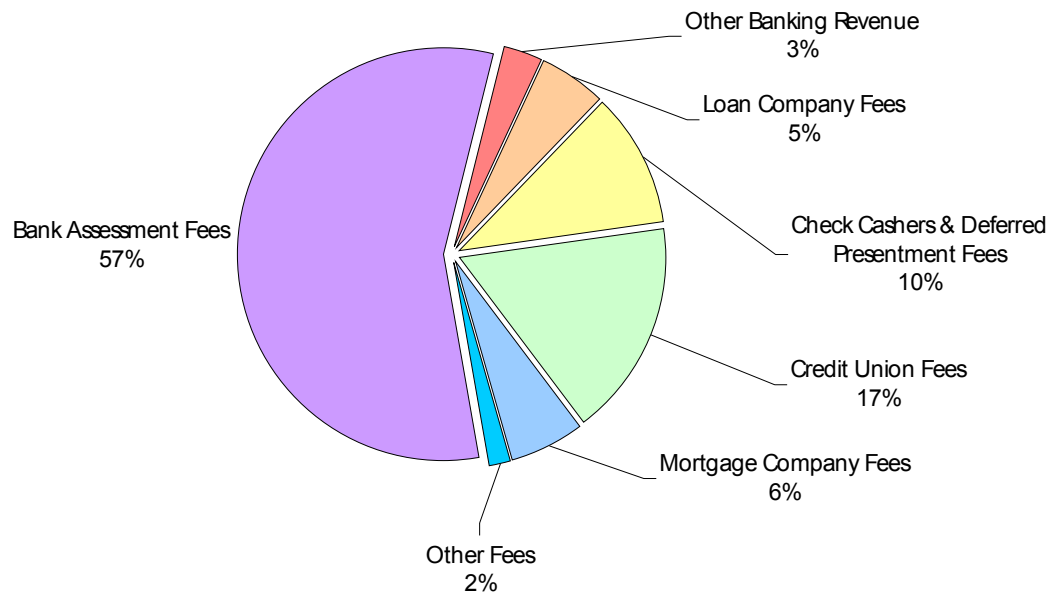
The continuing development and maintenance of qualified examining staff is one of our major priorities. To ensure value, the Department's training needs are annually assessed and budgeted. The majority of the structured training curriculum is acquired through external training sources such as the FDIC, the National Credit Union Administration, the Board of Governors of the Federal Reserve System, the Education Foundation of State Bank Supervisors, the National Association of State Credit Union Supervisors, the Federal Financial Institutions Examination Council, the National Association of Consumer Credit Administrators, as well as other sources. In 2000, departmental personnel attended 289 training sessions, of which some contained technology and specialty training. Some of the programs attended were basic and advanced trust schools, Web banking and electronic banking programs, Information Systems schools and seminars, and capital market programs. One of our examiners attended the first year of the LSU Graduate School of Banking, while another examiner completed the second year of the Southern Trust Graduate Trust School. In addition to the above listed programs, the majority of our staff attended the Eleventh Annual Examiner's Conference, which focused mainly on financial institutions education presentations.

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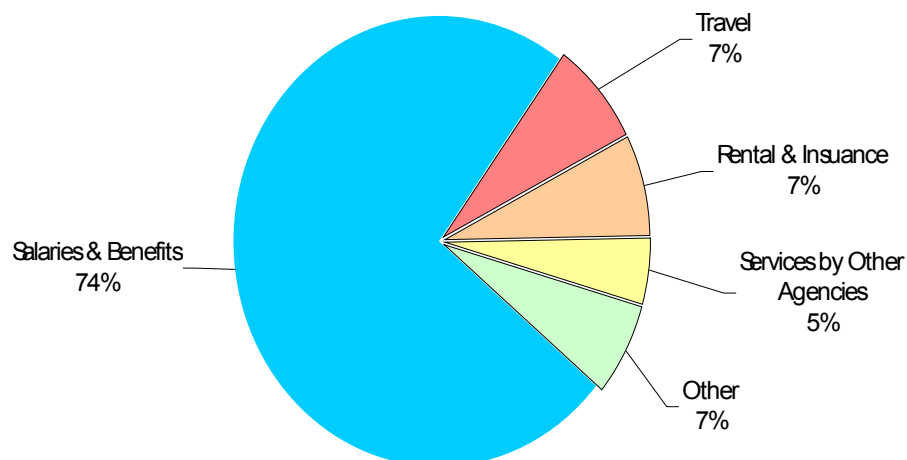
FISCAL YEAR 1999 - 2000

FUNDING SOURCES



Note: Other Fees include Insurance Premium Finance Companies, Money Transmitters, and Miscellaneous Fees.

EXPENDITURES



Note: Other Expenditures include Printing & Duplicating, Communications, Maintenance & Repairs, Supplies, Awards & Indemnities, Training, and Equipment.

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EXPENDITURES AND FUNDING SOURCES FY 1999-2000

REVENUES

Appropriations – Bank Assessment Fees	\$4,523,270.00
Other Banking Revenue	238,484.36
Credit Union Fees	1,353,259.45
Money Order Fees	91,572.00
Loan Company Fees	431,800.00
Insurance Premium Finance Company Fees	30,325.00
Mortgage Company Fees	478,925.00
Check Cashers Fees	169,050.00
Deferred Presentment Fees	656,950.00
Miscellaneous	6,339.76

TOTAL REVENUES	\$7,979,975.57
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EXPENDITURES

Personal Services	\$4,408,282.53
Employee Benefits	969,530.73

TOTAL PAYROLL	\$5,377,813.26
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Travel	\$535,186.10
Printing, Duplication, and Film Processing	39,622.34
Communication and Shipping Costs	29,855.96
Maintenance, Repairs, and Services	1,414.70
Professional and Administrative Services	349,848.02
Supplies	149,913.75
Rentals and Insurance	527,224.81
Awards and Indemnities	1,690.79
Grants and Subsidies (Training)	44,123.38
Equipment	(1,258.11)
Administrative Overhead	215,494.00

TOTAL OTHER	\$1,893,115.74
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TOTAL EXPENDITURES	\$7,270,929.00
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EXCESS OF REVENUE OVER EXPENDITURES	\$709,046.57
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REBATED TO BANKS	\$404,156.54
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REVERTED TO GENERAL FUND	\$304,890.03
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